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C O N F I D E N T I A L SECTION 01 OF 02 CARACAS 000497

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HQSOUTHCOM ALSO FOR POLAD DEPARTMENT PASS TO AID/OTI (RPORTER)

E.O. 12958: DECL: 04/20/2029 TAGS: <u>PGOV KDEM PHUM PINR VE</u>

SUBJECT: TECHNOCRAT-TURNED-RADICAL APPOINTED AS CARACAS VEEP

REF: CARACAS 00045

CARACAS 00000497 001.2 OF 002

Classified By: POLITICAL COUNSELOR FRANCISCO FERNANDEZ, FOR REASON $1.4(\mathrm{D})$

- 11. (C) Summary: President Chavez named Jacqueline Faria, a civil engineer and former cabinet member, as the new Vice President of Caracas on April 15 -- an office and appointment designed to undercut opposition Mayor of Greater Caracas Antonio Ledezma. Farias earned a reputation as a technocrat and a good administrator earlier in her career, but is widely perceived as a Chavista who radicalized to advance her political career. Although her newly created office has stripped Ledezma's of almost all of his budget and authority, the four opposition municipal-level mayors are less affected by this new effort by Chavez to marginalize opposition officials -- for now. End Summary.
- ¶2. (C) The day after the Government of the Bolivarian Republic of Venezuela (GBRV) promulgated the Law of the Federal District (Reftel), Chavez appointed Jacqueline Faria as the Capital District Chief of Government. She is rumored to have close ties to one of Chavez's closest loyalists, Minister of Public Works Diosdado Cabello. Given Cabello's failed reelection bid in the November 2008 elections for Miranda State governorship, the pick of Faria may represent an opportunity for him to reestablish his influence over Venezuela's capital city area. During Faria's swearing-in, Vice President Ramon Carrizales asserted that "dialogue is not possible" with Ledezma or with anybody who "tries to make decisions or deals behind the people's backs." He added that Ledezma would remain as a "planner" and "coordinator" and that his office's hitherto budget was "temporary, and its temporality has ended." Ledezma will reportedly have the lead only on city transportation and parks.

PERSONAL BACKGROUND

13. (C) Faria most recently served as President of the state-owned telephone company Movilnet and before that was Minister of the Environment. Born in Zulia State, she has served as the Vice-President of the western (Zulia-Falcon) region for the United Socialist Party of Venezuela (PSUV). Faria is a civil engineer by training specializing in hydraulics, and is a graduate of the Central University of Venezuela (UCV) in Caracas. She served previously as President of Hidrocapital, Caracas' checkered water works service. Pollster Edmund Saade told Poloff April 17 that he had known Faria for many years and claimed that she was originally a well-regarded technocrat with good management

skills, but then drifted to the left as it became expedient for her political career. According to the opposition-oriented Tal Cual daily, Faria was "the most important student leader" in Central University's (UCV's) engineering school in the 1980s, and was involved in protesting the autocracy and personalism at UCV -- an irony given her current support of Chavez.

BOROUGH MAYORS' FUTURE LESS DIRE - FOR NOW

 $\P4$. (C) Primero Justicia (PJ) youth leader and Metropolitan Councilman Edison Ferrer told Poloff April 17 that Faria will receive 90 percent of Ledezma's budget but technically only has authority over the capital district, which includes just the Libertador municipality. Libertador is coincidentally the only of the five boroughs of Greater Caracas with a PSUV mayor, former Vice President Jorge Rodriguez. Ferrer surmised that Faria will be well-positioned to lavish her budget solely on Libertador, a relatively poor section of the city, while the other four opposition-led municipalities will have to scramble for other resources to govern. Ferrer added that the opposition needed to launch a public education campaign about the illegality of the new position, because he assessed that most Venezuelans saw the issue as just another political spat between Chavez and Ledezma. He noted that while the 1999 Constitution does provide for an appointed position to oversee the Capital District (consisting solely of Libertador municipality), the office was only created ten years later -- once there was no longer a Chavista mayor in power. More importantly, Ferrer pointed out that the thousands of voters who had elected Ledezma were effectively having their ballots nullified after the fact.

CARACAS 00000497 002.2 OF 002

15. (C) Opposition mayor of Baruta municipality Gerardo Blyde told Poloff April 16 that Baruta and Chacao will be relatively unaffected by Ledezma's marginalization, since the affluent boroughs are able to collect enough municipal taxes from their residents to have a self-sufficient budget. He counseled, however, that Sucre municipality -- which includes the enormous impoverished Petare barrio -- will be more vulnerable, since it relies more heavily on resources from the central government. Blyde added that Chavez had recently and without warning repossessed several donated buses which had been offering subsidized transportation for poor Venezuelans commuting into the city from far-flung suburbs. Because the bus transfer point was in Baruta, the commuters began protesting outside of Blyde's office, and he had to use borrowed school buses to alleviate the problem temporarily. The mayor seemed frustrated at the move, which he assessed was purely political to put pressure on his government.

COMMENT

(C) Ledezma is yet another name on a growing list of key opposition figures who have been marginalized by Chavez's government restructuring. It may well serve as a precedent for the creation of regional vice presidents to undercut the authority of the five opposition governors elected in November 2008. In contrast to Chavez's attacks against opposition leader and Maracaibo Mayor Manuel Rosales (Septel), this move is more subtle and does not appear to be widely understood by Venezuelans. Opposition leaders readily concede that they are not able to mobilize significant street protests to oppose Chavez's centralization of power. Venezuelans want better public services, but most do not appear too concerned over whether its the central government or local governments that provide them. While opposition parties have expressed solidarity with Ledezma, they have not rallied any real resistance to his marginalization. In the absence of real opposition unity, Chavez appears to be well

positioned to continue to target and undermine elected opposition leaders, one by one. End Comment.

CAULFIELD